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IN THE CLAIMS:

Please consider the claims as follows:

Claims 1-27 (Canceled).

28. (New) A method for placing virtual objects in virtual object locations in a video program at a head end in a television program delivery system, comprising:
- receiving at the head end a plurality of virtual objects;
 - storing the plurality of virtual objects in a database;
 - identifying at the head end at least one virtual object location for each frame of the video program;
 - selecting at the head end one or more of the plurality of virtual objects according to a set of placement rules and targeting information;
 - inserting at the head end the one or more of the plurality of virtual objects into the identified at least one virtual object location during a display or storage of the video program; and
 - transmitting said video program to a targeted terminal.
29. (New) The method of claim 28, further comprising generating a group assignment matrix and a retrieval plan for a plurality of viewer terminals including the targeted terminal, wherein the group assignment matrix comprises reception site groupings and program categories thereby the targeted terminal stores information relating to the program categories of its group.
30. (New) The method of claim 28, wherein the step of inserting comprises:
- selecting a specific virtual object from the plurality of virtual objects.
31. (New) The method of claim 30, further comprising recording virtual objects watched data at the targeted terminal.
32. (New) The method of claim 31, further comprising adjusting the selecting step

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based on the recorded virtual objects watched data.

33. (New) The method of claim 28, further comprising:
receiving updated virtual objects at the head end; and
storing the updated virtual objects at the head end.
34. (New) The method of claim 28, wherein at least one virtual object is an interactive virtual object including a link to a location remote from the viewer's terminal, further comprising:
receiving an activation of the interactive virtual object; and
connecting the targeted terminal to the remote location.
35. (New) The method of claim 34, wherein the remote location is an Internet web site.
36. (New) The method of claim 28, wherein the targeted terminal is one of a set top terminal, a television, a personal computer, a satellite television receiver, a wireless telephone, an electronic book reader, and a PDA device.
37. (New) An operations center located at a head end, in a television program delivery system that receives a plurality of virtual objects and video programs having virtual object locations and places the virtual objects into the video programs, comprising:
a database for storing the received plurality of virtual objects;
a virtual object location definer for identifying at least one virtual object location;
a virtual object selector for selecting at least one of the plurality of virtual objects according to a set of placement rules; and
a targeted virtual object management system for selecting at least one of the plurality of virtual objects according to targeting information and inserting the selected at least one of the plurality of virtual objects into the at least one virtual object location during a display of the video programs at a viewer terminal.

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38. (New) The operations center of claim 37, wherein said targeted virtual object management system generates a group assignment matrix and a retrieval plan for a plurality of viewer terminals, wherein the group assignment matrix comprises reception site groupings and program categories thereby the viewer terminal stores information relating to the program categories of its group.

39. (New) The operations center of claim 37, wherein the video programs include a virtual object placement plan.

40. (New) The operations center of claim 39, wherein the virtual object placement plan is stored in the memory.

41. (New) The operations center of claim 37 comprising a processor, wherein said processor comprises a comparison module that compares the virtual object placement plan and the stored virtual objects to determine a specific virtual object for placement in a specific virtual object location.

42. (New) The operations center of claim 37, wherein said operations center receives updated virtual objects and stores the updated virtual objects in said database.

43. (New) The operations center of claim 37, wherein the operations center comprises a virtual objects watched module that determines virtual objects watched at the viewer terminal, the virtual objects watched data stored in a memory.

44. (New) The operations center of claim 43, wherein the virtual object placement plan is adjusted based on the stored virtual objects viewed data.

45. (New) The operations center of claim 37, wherein one or more virtual objects are interactive virtual objects, the interactive virtual objects including a link from the terminal to a remote location.

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46. (New) The operations center of claim 45, wherein the remote location is an Internet web site.

47. (New) The operations center of claim 37, wherein the viewer terminal is one of a set top terminal, a television, a personal computer, a satellite television receiver, a wireless telephone, and electronic book reader, and a PDA device.

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